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SUBJECT: COMMERCE MINISTER DOUR ON FTA PROGRESS

REF: MUSCAT 533

Classified By: Ambassador Gary A. Grappo for Reasons 1.4 (b, d)

¶1. (U) On June 2, the Ambassador reviewed the status of the U.S.-Oman Free Trade Agreement (FTA) implementation process with Commerce and Industry Minister Maqbool bin Ali Sultan. The Minister opened the conversation by acknowledging receipt of USG comments on Oman's draft tender law, which he noted would be reviewed by the tender committee over the next several days. He reaffirmed that the draft telecommunications law was on its way to the Council of Ministers, and expressed his appreciation that a telecommunications expert had been sent to assist in developing FTA-compliant licensing criteria. Maqbool mentioned that the Ministry had sent its final comments on the draft copyright law to USTR, and that it should complete its final comments on the industrial property law shortly.

¶2. (C) On the understandings regarding the environment and labor, Maqbool confirmed his disagreement with added language calling for public access to comments submitted on draft regulations. The Minister remarked that these revisions, which were not agreed to during Ambassador Hillman's visit, could not be implemented in Oman at this time. "This is not America, and this won't happen in Oman," countered Maqbool. "We just cannot give out submitted comments to the public." He added that in the course of deliberations on pending legislation, selected institutions, such as the Oman Chamber of Commerce and Industry and the Majlis al-Shura (the directly elected lower house of Oman's bicameral advisory body), already are provided the opportunity to express their opinions. In the end, the Minister believed that the USG was asking "too much."

¶3. (C) On the postponed trip to Washington by an Omani intellectual property delegation, Maqbool remarked, "I had some reservations on the objectives of the trip." The Minister stated that there were still pending intellectual property items that had not yet been resolved, and that Oman did not have the institutional capacity to make the necessary decisions while in the U.S. "Without WIPO (the World Intellectual Property Organization), they (Ministry of Commerce and Industry staff) wouldn't have been able to agree on anything -- we don't have the experts," said Maqbool. He continued, however, that if Oman agrees to the changes being proposed by USTR, then there would be no need for the trip to Washington.

¶4. (C) Maqbool was not hopeful that Oman could pass remaining legislation by the end of June. He stated that the draft tender law most likely would need to go back and forth between his Ministry and USTR before a finalized version could be readied for the Council's approval. He left open

the possibility of appealing directly to the Sultan to pass legislation without the council's approval, as he did for the labor regulations in July 2006. Under normal procedures, however, Maqbool noted that the tender law, once agreed with USTR, would have to go to the Ministry of Legal Affairs for at least a two-day review, followed by distribution to all ministers in advance of the Council's meeting. As for the three other remaining documents necessitating Council approval, Maqbool estimated that only the draft telecommunications law was in a position to be approved in June; the copyright and industrial property laws most likely would have to wait until the Council resumes its meetings in September.

15. (C) Comment. In contrast to reftel report about the "standing order" to complete the FTA by June, the Minister appears to have lost some of his wind generated by the visit of USTR consultant Jennifer Hillman, once again reverting to his customary pessimistic outlook. On the revised understandings, Maqbool voiced his usual complaint that Oman does not have a U.S.-style framework in place to support a public comment system, and that it would take time for the government to develop something similar. On the proposed trip to Washington, the Minister appeared confused at first about the fact that the delegation was supposed to have left on June 2, but then quickly claimed that the trip would have been pointless since the Ministry lacks the requisite expertise to make decisions on its own accord. With respect to the tender law, Maqbool was resigned to the fact that it would take several exchanges with USTR before agreement could be reached on a final draft.

16. (C) Comment (continued): The Ambassador will remain engaged with the Minister to keep momentum going on implementation. To this end, the Ambassador intends to follow-up with Maqbool in writing next week to outline all remaining action items per the document left by Ambassador Hillman. End comment.
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